

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Horticulture Department - Oil Palm Development Programme - Fixation of the price of Oil Palm Fresh Fruit Bunches based on the Agreement reached between Oil Palm Developers & Processors Association and AP State Oil Palm Farmers Welfare Association - Orders - Issued.

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AGRICULTURE AND COOPERATION (HORTI.) DEPARTMENT

G.O.Ms.No. 160

Dt: 25-06-2009.

Read the following :-

- 1.G.O.Rt.No.430,Agri.&Coop.(Agri.III)Department,  
dt.10.4.1996.
2. G.O.Rt.No. 701, Agri & Coop.(Agri.II) Department, dt.1.7.1997.  
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ORDER:-

In the G.Os read above, Government constituted a Committee under the chairmanship of the Secretary to Government, Agriculture & Cooperation Department to decide the minimum price of Oil Palm Fresh Fruit Bunches(FFB) and to decide the price hike in the coming years. The Directors of Agriculture, Horticulture and the Managing Director, OILFED are the other members of the committee.

2. Accordingly, based on the recommendation of the Managing Director, OILFED, the Commissioner of Horticulture would place the proposal for fixing the price of Oil Palm FFB on quarterly basis before the Committee and in turn the Committee will decide and fix the price for every quarter.

3. Since the price is being fixed on quarterly basis, it becomes cumbersome for the farmers to receive payments for their produce at current price on time and to the processors for effecting changes based the current price in making payments.

4. To overcome the above problem and to streamline the produce of price fixation for Oil palm FFB, the Oil Palm Developers & Processors Association and A.P. State Oil Palm Farmers Welfare Association held discussions in the presence of the Agriculture Production Commissioner & Principal Secretary to Government, at Secretariat, Hyderabad on 2.5.2009 and reached an agreement on fixation of the price of Oil Palm Fresh Fruit Bunches.

5. The conclusion arrived at the meeting is as follows:-

- (a) The fixation of FFB price by Government should be by taking the net monthly weighed average price of current month CPO price realized by the A.P.Oilfed instead of previous quarter's average price. Till the FFB price is fixed for the current month, the adhoc payment for the current month shall be paid as follows:-

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- (i) For the 1<sup>st</sup> fortnight ie., from 1<sup>st</sup> to 15<sup>th</sup> of each month, payment will be made Based on the previous month's price.
- (ii) For the 2<sup>nd</sup> fortnight ie., from 16<sup>th</sup> to month end, the price will be paid only after the current month's price is fixed by the Government and after adjusting the shortfall/excess payment made in the first fortnight.
- (iii) The FFB price fixation on the above lines would come into effect from 1.5.2009.

6. Further, in the above meeting, it was proposed to delegate the power of fixation of Oil Palm FFB price which is vested with the Committee constituted by the Government to the Commissioner of Horticulture as it is found to be more convenient at that level.

7. Government after careful examination of the above agreement and proposal for delegation of powers made in this regard, hereby accept the decisions taken by both the associations and issued orders as follows:-

- (a) The fixation of FFB price by Government should be by taking the net monthly weighed average price of current month CPO price realized by the A.P.OILFED instead of previous quarter's average price. Till the FFB price is fixed for the current month, the adhoc payment for the current month shall be paid as follows:-
  - (i) For the 1<sup>st</sup> fortnight ie., from 1<sup>st</sup> to 15<sup>th</sup> of each month, payment will be made based on the previous month's price.
  - (ii) For the 2<sup>nd</sup> fortnight ie., from 16<sup>th</sup> to month end, the price will be paid only after the current month's price is fixed by the Government and after adjusting the shortfall/excess payment made in the first fortnight.
  - (iii) The FFB price fixation on the above lines would come into effect from 1<sup>st</sup> May, 2009.

8. Further, the Government hereby delegate of power of fixation of Oil Palm Fresh Fruit Bunches price which is hitherto vested with the Committee constituted by the Government to the Commissioner of Horticulture, with immediate effect.

9. The Commissioner of Horticulture, Andhra Pradesh, Hyderabad shall take necessary further action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PANKAJ DWIVEDI,  
APC & PRL.SECRETARY TO GOVERNMENT

To

The Commissioner of Horticulture, Andhra Pradesh, Hyderabad.

The Commissioner and Director of Agriculture, Andhra Pradesh, Hyderabad.

The Managing Director, AP OILFED, Hyderabad.

The Oil Palm Developers & Processors Association.- through Commissioner of Horticulture, AP.,Hyderabad.

The AP State Oil Palm Farmers Welfare Association. – through Commissioner of Horticulture, Andhra Pradesh, Hyderabad.

Copy to:

The P.S. to M(Agri. & Horti.)

The P.S. to APC & Prl.Secy. to Govt.

The Oil Palm Developers & Processors Association.

The AP State Oil Palm Farmers Welfare Association.

SC/SF.

//forwarded by order//

SECTION OFFICER